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13 Attorneys for Plaintiff  
14 UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT  
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17  
18 UNITED STATES OF AMERICA, ) CR No. 12-00559-DMG  
19 Plaintiff, ) PLEA AGREEMENT FOR DEFENDANT  
20 v. ) AAA CASH ADVANCE, INC.  
21 AAA CASH ADVANCE, INC., )  
22 Defendant. )  
23 )

24 1. This constitutes the plea agreement between AAA CASH  
25 ADVANCE, INC. through its corporate representative ("defendant"),  
26 the Asset Forfeiture and Money Laundering Section of the Criminal  
27 Division of the United States Department of Justice, and the  
28 United States Attorney's Office for the Central District of

1 California ("the Government") in the above-captioned case. This  
2 agreement is limited to the two entities defined as "the  
3 Government" above and cannot bind any other federal, state,  
4 local, or foreign prosecuting, enforcement, administrative, or  
5 regulatory authorities.

6 DEFENDANT'S OBLIGATIONS

7 2. Defendant agrees to:

8 a) At the earliest opportunity requested by the  
9 Government and provided by the Court, appear and plead guilty to  
10 Count 9 contained in the indictment in United States v. AAA Cash  
11 Advance, Inc., et al., CR No. 12-0559-DMG, which charges  
12 defendant with: failure to maintain an effective anti-money  
13 laundering program, in violation of 31 U.S.C. §§ 5318(h), 5322  
14 and 18 U.S.C. § 2.

15 b) Not contest facts agreed to in this agreement.

16 c) Abide by all agreements regarding sentencing  
17 contained in this agreement.

18 d) Appear for all court appearances, obey all  
19 conditions of any bond, and obey any other ongoing court order in  
20 this matter.

21 e) Not commit any crime; however, offenses that would  
22 be excluded for sentencing purposes under United States  
23 Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines")  
24 § 4A1.2(c) are not within the scope of this agreement.

25 f) Be truthful at all times with the United States  
26 Probation Office and the Court.

27 g) Pay the applicable special assessments at or before  
28

1 the time of sentencing unless defendant lacks the ability to pay  
2 and prior to sentencing submits a completed financial statement  
3 on a form to be provided by the Government.

4 h) In the event that AAA CASH ADVANCE, INC. continues  
5 to operate as a financial institution, or continues to own or  
6 control a financial institution, from the date of this agreement  
7 forward, it shall create and implement an effective anti-money  
8 laundering compliance program which, at a minimum, meets all the  
9 minimum requirements of 31 C.F.R. § 1022.210.

10 i) To ensure that in the event AAA CASH ADVANCE, INC.,  
11 sells, merges or transfers all or substantially all of its  
12 business operations as they exist as of the date of this  
13 Agreement, whether such sale(s) is/are structured as a sale,  
14 merger or transfer, AAA CASH ADVANCE, INC. shall include in any  
15 contract for sale, merger or transfer a provision fully binding  
16 the purchaser(s) or any successor(s) in interest thereto the  
17 obligation described in Paragraph 2, including the obligations  
18 with respect to the creation and implementation of an effective  
19 anti-money laundering program.

20 j) In addition to any fine imposed by the Court, agree  
21 to disgorge \$3,012 pursuant to U.S.S.G. § 8C2.9.

22 THE GOVERNMENT'S OBLIGATIONS

23 3. The Government agrees to:

24 a) Not contest facts agreed to in this agreement.

25 b) Abide by all agreements regarding sentencing  
26 contained in this agreement.

27 c) At the time of sentencing, provided that defendant  
28 demonstrates an acceptance of responsibility for the offenses up

1 to and including the time of sentencing, recommend a one-level  
2 reduction in the applicable Sentencing Guidelines offense level,  
3 pursuant to U.S.S.G. § 8C2.5(g) (3).

4 NATURE OF THE OFFENSE

5 4. Defendant understands that for defendant to be guilty  
6 of the crime charged in Count 9, that is, failure to maintain an  
7 effective anti-money laundering program, in violation of 31  
8 U.S.C. §§ 5318(h), 5322, and 18 U.S.C. § 2 the following must be  
9 true:

10 a) AAA CASH ADVANCE, INC. was a money service  
11 business located in the United States operating as a check  
12 cashier;

13 b) Defendant AAA CASH ADVANCE, INC. failed to  
14 implement one or more of the following minimal requirements set  
15 forth by regulation by the Secretary of the Treasury:

16 1. Have an effective written policies,  
17 procedures, and internal controls for one or  
18 more of the following:

19 i. Verifying customer identification; or

20 ii. Filing reports, such as currency  
21 transaction reports; or

22 iii. Creating and retaining records; or

23 iv. Responding to law enforcement requests;

24 2. Designate a person to assure day to day  
25 compliance with the anti-money laundering  
26 program, including assuring that:

27 i. The check cashier properly files reports,  
28 creates and retains records, in

1                   accordance with applicable requirements,  
2                   such as filing currency transaction  
3                   reports, and

4                   ii. The program is updated as necessary to  
5                   reflect new requirements; or

6                   3. Provide education and/or training of  
7                   appropriate personnel concerning their  
8                   responsibilities under the program.

9                   c) Defendant acted willfully in failing to develop,  
10                  implement, and maintain an effective anti-money  
11                  laundering program.

12                                   PENALTIES

13                  5. Defendant understands that the statutory maximum  
14 sentence that the Court can impose for a violation of 31 U.S.C.  
15 §§ 5318(h), 5322 is: five years probation; a fine of \$500,000 or  
16 twice the gross gain or gross loss resulting from the offense,  
17 whichever is greatest per 18 U.S.C. § 3571; and a mandatory  
18 special assessment of \$400 per 18 U.S.C. § 3013(a)(2)(B).

19                                   FACTUAL BASIS

20                  6. Defendant and its authorized corporate representative  
21 admit that defendant is, in fact, guilty of the offense to which  
22 defendant is agreeing to plead guilty. Defendant and the  
23 Government agree to the statement of facts provided below and  
24 agree that this statement of facts is sufficient to support a  
25 plea of guilty to the charge described in this agreement and to  
26 establish the Sentencing Guidelines factors set forth in  
27 paragraph 8 below but is not meant to be a complete recitation of  
28 all facts relevant to the underlying criminal conduct or all

1 facts known to either party that relate to that conduct.

2 Throughout the time period at issue, defendant AAA CASH  
3 ADVANCE, INC. ("defendant") operated AAA Cash Advance, a check  
4 cashing store located at 1771 West Jefferson Boulevard, Los  
5 Angeles, California. As a check cashing store, defendant was a  
6 money service business and financial institution within the  
7 meaning of the Bank Secrecy Act ("BSA"). Defendant was engaged  
8 in the business of, among other things, cashing checks for other  
9 people for currency. Defendant typically charged a fee for this  
10 service.

11 Defendant was aware that the BSA required financial  
12 institutions like AAA Cash Advance to file a "Currency  
13 Transaction Report" ("CTR") with the Department of Treasury, for  
14 any transaction involving more than \$10,000 in currency on a  
15 single day. For the purposes of filing a CTR, defendant knew  
16 that the BSA required defendant to aggregate multiple currency  
17 transactions and treat them as a single transaction if the  
18 multiple transactions were by or on behalf of one person and  
19 resulted in either cash-in or cash-out totaling more than \$10,000  
20 during any one business day.

21 In addition, defendant was aware that the BSA required  
22 defendant to develop, implement, and maintain an effective anti-  
23 money laundering program reasonably designed to prevent defendant  
24 from being used to facilitate money laundering. Defendant also  
25 knew that the program was required to have written policies,  
26 procedures and controls governing the verification of customer  
27 identification, the filing of reports such as CTRs, the creation  
28 and retention of records, response to law enforcement requests,

1 and other compliance with BSA requirements, and that defendant  
2 was required to have a compliance officer, who was responsible  
3 for assuring that the business complied with all BSA  
4 requirements.

5       Beginning in or around August 2010, and continuing through  
6 in or around February 2012, defendant, through its agent,  
7 repeatedly cashed bundles of checks totaling over \$10,000 in one  
8 business day, knowing that the multiple transactions were by and  
9 on behalf of one person, without filing a CTR. The checks were  
10 presented to defendant by an individual who presented himself as  
11 the owner of a health care business and a medical practice on  
12 whose accounts the checks were drawn. Defendant, through its  
13 agent, had knowledge that the payees' names on the checks were  
14 not the individuals actually receiving the cash. Defendant,  
15 through its agent, did not require that the individual presenting  
16 the checks provide any identification or any identification  
17 documents regarding either the payors or payees named on the  
18 checks the individual presented. Additionally, defendant,  
19 through its agent, instructed the individual to write multiple  
20 checks for amounts less than \$10,000, but in the aggregate,  
21 totaling more than \$10,000 to facilitate the avoidance of AAA  
22 Cash Advance's CTR reporting requirement. In exchange for this  
23 service, defendant charged a fee of 3%. On August 12, 2010,  
24 September 2, 2010, October 8, 2010, December 13, 2010, February  
25 5, 2011, November 9, 2011, February 2, 2012, and February 13,  
26 2012, defendant improperly failed to file CTRs on \$100,420 worth  
27 of checks that required CTRs. Defendant received approximately  
28 \$3,012 (3%) from its violations.



1 Defendant accepted the individual's bundled checks and  
2 deposited the checks into its bank accounts and in bank accounts  
3 of other check cashing stores. Several days later, defendant  
4 returned currency in excess of \$10,000 to the individual. At no  
5 time during this period did defendant file a CTR to document the  
6 transactions in currency in amounts greater than \$10,000 with the  
7 customers on a single day.

8 Defendant was responsible for implementing an effective  
9 anti-money laundering program. Defendant knew that the BSA  
10 required it to develop, implement, and maintain an effective  
11 anti-money laundering program reasonably designed to prevent  
12 defendant from being used to facilitate money laundering.  
13 Defendant knew that the program was required to have, among other  
14 things, procedures and controls governing the verification of  
15 customer identification, the filing of reports such as CTRs, the  
16 creation and retention of records, and other compliance with BSA  
17 requirements. Despite this knowledge, the defendant failed to  
18 have such a program and further failed to (a) obtain  
19 identification from certain customers; and (b) file CTRs when  
20 they were required.

#### 21 SENTENCING FACTORS

22 7. Defendant understands that in determining defendant's  
23 sentence the Court is required to calculate the applicable  
24 Sentencing Guidelines range and to consider that range, possible  
25 departures under the Sentencing Guidelines, and the other  
26 sentencing factors set forth in 18 U.S.C. § 3553(a). Defendant  
27 understands that the Sentencing Guidelines are advisory only, and  
28 that after considering the Sentencing Guidelines and the other



§ 3553(a) factors, the Court will be free to exercise its discretion to impose any sentence it finds appropriate up to the maximum set by statute for the crimes of conviction.

TOTAL OFFENSE LEVEL (NO ADDITIONAL ADJUSTMENTS TO BE SOUGHT)

8. Defendant and the Government agree to the following applicable Sentencing Guidelines factors:

Base Offense Level : 8 U.S.S.G. § 2S1.3(a)(1)

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Total Offense Level : 8

Base fine: 8 U.S.S.G § 8C2.4(d) - \$10,000

Base culpability: 5 U.S.S.G § 8C2.5(a)

Culpability  
reduction for acceptance  
of responsibility: -1 U.S.S.G § 8C2.5(g)(3)

Multiplier: .08-1.6 U.S.S.G § 8C2.6

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Total Fine Range : \$ 6,000 - 16,000

Subject to paragraphs 10 and 18, defendant and the Government agree not to seek, argue, or suggest in any way, either orally or in writing, that any other specific offense characteristics, or adjustments apply.

9. Defendant understands that there is no agreement as to defendant's criminal history or criminal history category.

10. The parties stipulate to a fine of \$6,000, together with disgorgement of \$3,012 as referenced in paragraph 2(j). Defendant reserves the right to argue inability to pay under U.S.S.G. § 8C3.3(b).

WAIVER OF CONSTITUTIONAL RIGHTS

1 11. Defendant understands that by pleading guilty,  
2 defendant gives up the following rights:

3 a) The right to persist in a plea of not guilty.

4 b) The right to a speedy and public trial by jury.

5 c) The right to be presumed innocent and to have the  
6 burden of proof placed on the Government to prove defendant  
7 guilty beyond a reasonable doubt.

8 d) The right to confront and cross-examine witnesses  
9 against defendant.

10 e) The right to testify and to present evidence in  
11 opposition to the charges, including the right to compel the  
12 attendance of witnesses to testify.

13 f) Any and all rights to pursue any affirmative  
14 defenses, Fourth Amendment or Fifth Amendment claims, and other  
15 pretrial motions that have been filed or could be filed.

16 WAIVER OF APPEAL OF CONVICTION

17 12. Defendant understands that, with the exception of an  
18 appeal based on a claim that defendant's guilty plea was  
19 involuntary, by pleading guilty defendant is waiving and giving  
20 up any right to appeal defendant's convictions on the offense to  
21 which defendant is pleading guilty.

22 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

23 13. Defendant agrees that, provided the Court imposes a  
24 total fine within the total fine range as referenced in paragraph  
25 8, and disgorgement of no more than \$3,012, defendant gives up  
26 the right to appeal any portion of the sentence. The Government  
27 gives up its right to appeal any portion of the sentence.

28 14. Defendant agrees that if, after entering a guilty plea

1 pursuant to this agreement, defendant seeks to withdraw and  
2 succeeds in withdrawing defendant's guilty plea on any basis  
3 other than a claim and finding that entry into this plea  
4 agreement was involuntary, then (a) the Government will be  
5 relieved of all of its obligations under this agreement.

6 EFFECTIVE DATE OF AGREEMENT

7 15. This agreement is effective upon signature and  
8 execution of all required certifications by defendant,  
9 defendant's counsel, and an Assistant United States Attorney or a  
10 Trial Attorney from the United States Department of Justice.

11 BREACH OF AGREEMENT

12 16. Defendant agrees that if defendant, at any time after  
13 the signature of this agreement and execution of all required  
14 certifications by defendant, defendant's counsel, and an attorney  
15 for the Government, knowingly violates or fails to perform any of  
16 defendant's obligations under this agreement ("a breach"), the  
17 Government may declare this agreement breached. All of  
18 defendant's obligations are material, a single breach of this  
19 agreement is sufficient for the Government to declare a breach,  
20 and defendant shall not be deemed to have cured a breach without  
21 the express agreement of the Government in writing. If the  
22 Government declares this agreement breached, and the Court finds  
23 such a breach to have occurred, then: (a) if defendant has  
24 previously entered guilty pleas pursuant to this agreement,  
25 defendant will not be able to withdraw the guilty pleas, and (b)  
26 the Government will be relieved of all its obligations under this  
27 agreement.

28 COURT AND PROBATION OFFICE NOT PARTIES

1        17. Defendant understands that the Court and the United  
2 States Probation Office are not parties to this agreement and  
3 need not accept any of the Government's sentencing  
4 recommendations or the parties' agreements to facts or sentencing  
5 factors.

6        18. Defendant understands that both defendant and the  
7 Government are free to: (a) supplement the facts by supplying  
8 relevant information to the United States Probation Office and  
9 the Court, (b) correct any and all factual misstatements relating  
10 to the Court's Sentencing Guidelines calculations and  
11 determination of sentence, and (c) argue on appeal and collateral  
12 review that the Court's Sentencing Guidelines calculations and  
13 the sentence it chooses to impose are not error, although each  
14 party agrees to maintain its view that the calculations in  
15 paragraph 8 are consistent with the facts of this case. While  
16 this paragraph permits both the Government and defendant to  
17 submit full and complete factual information to the United States  
18 Probation Office and the Court, even if that factual information  
19 may be viewed as inconsistent with the facts agreed to in this  
20 agreement, this paragraph does not affect defendant's and the  
21 Government's obligations not to contest the facts agreed to in  
22 this agreement.

23        19. Defendant understands that even if the Court ignores  
24 any sentencing recommendation, finds facts or reaches conclusions  
25 different from those agreed to, and/or imposes any sentence up to  
26 the maximum established by statute, defendant cannot, for that  
27 reason, withdraw defendant's guilty pleas, and defendant will  
28 remain bound to fulfill all defendant's obligations under this

1 agreement. Defendant understands that no one -- not the  
2 prosecutor, defendant's attorney, or the Court -- can make a  
3 binding prediction or promise regarding the sentence defendant  
4 will receive, except that it will be within the statutory  
5 maximum.

6 NO ADDITIONAL AGREEMENTS

7 20. Defendant understands that, except as set forth herein,  
8 there are no promises, understandings, or agreements between the  
9 Government and defendant or defendant's attorney, and that no  
10 additional promise, understanding, or agreement may be entered  
11 into unless in a writing signed by all parties or on the record  
12 in court.

13 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

14 21. The parties agree that this agreement will be  
15 considered part of the record of defendant's guilty plea hearing  
16 ///

1 as if the entire agreement had been read into the record of the  
2 proceeding.

3 AGREED AND ACCEPTED

4 UNITED STATES ATTORNEY'S OFFICE  
5 FOR THE CENTRAL DISTRICT OF CALIFORNIA

6 ANDRÉ BIROTTE JR.  
7 United States Attorney

8 UNITED STATES DEPARTMENT OF JUSTICE  
9 CRIMINAL DIVISION

10 JENNIFER SHASKY CALVERY, Chief  
11 Asset Forfeiture and Money Laundering Section

12 MATTHEW KLECKA  
13 Trial Attorney  
14 U.S. Department of Justice  
15 Criminal Division  
16 Asset Forfeiture and Money  
17 Laundering Section

Date

18 DAVID KIRMAN  
19 Assistant U.S. Attorney

Date

20 

9/13/12

21 ELENA NOVAK  
22 Representative of Defendant  
23 AAA Cash Advance, Inc.

Date

24 

9/11/12

25 PAUL GABBERT  
26 Attorney for Defendant  
27 AAA Cash Advance, Inc.

Date

1 as if the entire agreement had been read into the record of the  
2 proceeding.

3 AGREED AND ACCEPTED

4 UNITED STATES ATTORNEY'S OFFICE  
5 FOR THE CENTRAL DISTRICT OF CALIFORNIA

6 ANDRÉ BIROTTE JR.  
7 United States Attorney

8 UNITED STATES DEPARTMENT OF JUSTICE  
9 CRIMINAL DIVISION

10 JENNIFER SHASKY CALVERY, Chief  
11 Asset Forfeiture and Money Laundering Section

12 *David Korman for Matthew Klecka*

13 MATTHEW KLECKA  
14 Trial Attorney  
15 U.S. Department of Justice  
16 Criminal Division  
17 Asset Forfeiture and Money  
18 Laundering Section

Date

*9/18/12*

19 *David Korman*  
20 DAVID KIRMAN  
21 Assistant U.S. Attorney

Date

*9/18/12*

22 PAUL GABBERT  
23 Representative of Defendant  
24 AAA Cash Advance, Inc.

Date

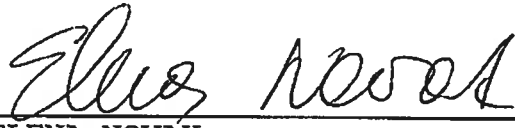
25 PAUL GABBERT  
26 Attorney for Defendant  
27 AAA Cash Advance, Inc.

Date



CERTIFICATION OF DEFENDANT

I, the undersigned, am an officer as stated below and have authority to sign and bind AAA Cash Advance, Inc ("AAA"). On behalf of AAA, I state the following. I have read this agreement in its entirety. I, as well as other Board Members of AAA, have had enough time to review and consider this agreement, and we have carefully and thoroughly discussed every part of it with AAA's attorney. I understand the terms of this agreement, and AAA voluntarily agree to those terms. I have discussed the evidence with my attorney, and counsel for AAA has advised AAA of its rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me or AAA other than those contained in this agreement. No one has threatened or forced me or AAA in any way to enter into this agreement. AAA and I are satisfied with the representation of counsel in this matter, and AAA and I are pleading guilty because we are guilty of this charge and wish to take advantage of the promises set forth in this agreement, and not for any other reason.

  
ELENA NOVAK  
Representative of Defendant  
AAA Cash Advance, Inc.

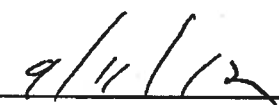
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Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am AAA Cash Advance, Inc.'s attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of its rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.



PAUL GABBERT  
Attorney for Defendant  
AAA Cash Advance, Inc.

  
Date